

in forty-one hours. The new airline aimed to link Germany with the Middle East countries that figured in her expansionist plans. It was to serve as a main artery of German penetration into the Persian Gulf area exactly as the old Berlin-Bagdad railway did a quarter of a century before.

The whole enterprise was not without military implications. The government of Reza Shah granted the Lufthansa the right to fly over and to land on the Iranian military airport in Meshed, not far from the Soviet border. As this privilege was given at the time of Nazi-Soviet tension, it did not fail to produce uneasiness in Moscow and a strong reaction in the Soviet press.

2. *German-Iranian Investment and Trade*

Without much exaggeration it may be said that Germany was the virtual founder of the young Iranian industry. This process of industrialization was convenient for her, for (a) it increased German exports and contributed to the favorable trade balance; (I) it compelled the Iranians to purchase spare parts in Germany.

In the twenties and thirties the Iranian government decided to establish a number of foundries. In order to buy all necessary machinery and materials, an official mission was sent to Berlin in 1938. On its return the government proceeded to recruit personnel for the construction and management of the foundries. Candidates possessing a knowledge of the German language were given priority.⁰

Only a few years before World War II Iran started to mine coal by modern methods. Machinery for that purpose was supplied by a German firm. Also all factory installations for the production of coke and related coal products were purchased in

Germany by the Iranian
Ministry of Mines and Industry.

Imposing government buildings were an object of special fondness to Reza Shah. His reign was characterized by a frcn/y of house-building in Teheran and in some showy places of Iran. Most of this program was carried out by German builders and architects. The magnificent building of the Bank-i-Melli in Teheran, in neo-Achaemenid style, was built by a German architect—to mention one example.

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